

## **Hybrid Truck and Bus Voucher Incentive Project (HVIP) Applicant Workshop Stakeholder Questions and Air Resources Board (ARB) Staff Responses**

On September 16, 2009, ARB held an HVIP Applicant Workshop to answer questions regarding the FY 2009-10 HVIP Grant Proposal Solicitation (solicitation). This document provides ARB responses to stakeholder questions at the workshop and received via e-mail before 5 p.m. on September 21, 2009.

### **Match Funding**

Q: Our organization has access to considerable funding sources which will allow vehicle owners to finance the portion of hybrid vehicle costs not paid for with ARB vouchers. This provides stronger incentive for users to take advantage of this program and opens the program up to a larger applicant pool by making credit more widely available and affordable. Would this kind of contribution be considered match under the terms of the proposal?

A: Match funding for the purposes of this program refers only to funds provided by the grantee to the HVIP to fund additional eligible vehicles. Funds used for loans or other finance mechanisms and vehicles which don't meet all HVIP eligibility requirements are not considered eligible match funds. (See solicitation Appendix A, page A-6)

Q: Can an applicant receive 100 points without committing match funding?

A: Match funding is evaluated and scored as part of the Proposed Budget portion of the application. In order to receive between 16 and (the maximum) 25 points for its proposed budget, an applicant must commit to provide at least \$500,000 in match funding or forgo at least \$500,000 in HVIP administration and outreach funding. Match funding or foregone administration/outreach funding will be used to fund additional eligible vehicles. (See Page 6 of the solicitation)

Q: Can an applicant commit region-specific match funding?

A: Yes, an air district or other applicant may spend its match funding only in a particular California region. This is allowed as long as the vehicles funded meet all other HVIP requirements. (See Page 5 of the solicitation)

### **HVIP Implementation Manual**

Q: Should the applicant describe how it will complete the HVIP Implementation Manual as part of its application?

A: The applicant has some discretion in what tasks it chooses to include in its Project Implementation Plan. The Project Implementation Plan should not exceed five pages and should include proposals for at least the six issues bulleted on page A-6 of the solicitation. It is the applicant's responsibility to determine what other key tasks, if any, it wishes to describe.

Q: Should the grantee set up a toll-free phone line for answering queries from the public?

A: A toll-free line is not a requirement of the HVIP, but may be proposed by the grantee.

Q: What is the intent of the HVIP fraud deterrent protocol?

A: The fraud deterrent protocol should identify those areas which could most be at risk for abuse by vehicle purchasers, dealers, or manufacturers, and provide protocols for protecting HVIP funds from such abuses. ARB will work in collaboration with the grantee in developing an effective protocol.

Q: Who is responsible for determining which vehicle makes and models are eligible for funding?

A: The ARB Project Liaison is responsible for letting the grantee know which hybrid vehicle makes and models are eligible for funding. The grantee is responsible for developing and maintaining the public HVIP webpage that lists the vehicles and voucher amounts and which provides the voucher forms.

Q: A *Draft HVIP Vehicle Eligibility Application for Original Hybrid Vehicle Manufacturers* is provided in Appendix A of the Implementation Manual. Have any hybrid vehicle makes and models been approved as eligible for HVIP funds via this application?

A: The *Draft HVIP Vehicle Eligibility Application for Original Hybrid Vehicle Manufacturers* is intended for vehicle makes and models which are eligible for the federal tax credit but are not yet ARB certified. This application is still in draft form. ARB will begin soliciting applications from vehicle manufacturers in the next few weeks.

Q: Does ARB have a contact list for hybrid vehicle manufacturers and dealers or is it the grantee's duty to develop such a list?

A: The grantee will be responsible for identifying hybrid truck and bus manufacturers and dealers. However, there are not many hybrid truck and bus manufacturers and California dealers. Nine hybrid truck and bus manufacturers are listed by the IRS as eligible for the federal tax credit, and a limited number of California truck dealerships are associated with these manufacturers. There are a larger number of hybrid truck equipment manufacturers (TEMs) which also may participate in the HVIP.

Q: Section 3.4 of the Draft HVIP Implementation Manual states that for "for vehicles resold within three years of the original purchase date, the original vehicle purchaser must inform the new purchaser in writing about the voucher rebate amount and applicable voucher project requirements." How will the new purchaser be informed in writing? Will ARB provide a form? Will an attorney be needed to provide specific language?

A: We envision this as being as simple as a signed letter by the original grantee informing the new purchaser of the activity and reporting requirements associated with the vehicle. We don't envision this as a legal form; however, this could change as the Implementation Manual is finalized. Our intent is to provide a broad outline for how a vehicle purchaser could have the flexibility to resell the vehicle within the three year reporting period while still ensuring the integrity of the program.

Q: Is there a template or mechanism in place for the vehicle purchasers' annual usage survey?

A: No, it will be the grantee's responsibility to work with ARB to develop a mechanism for ARB to receive an annual usage survey from the vehicle purchaser for three years. ARB will be responsible for collecting the survey from purchasers annually based on the mechanism provided by the grantee. This is intended to allow the grantee to fulfill its grant obligations before the three year reporting period is complete.  
(See pages 17-18 of Appendix B: Draft HVIP Implementation Manual)

Q: What is the ARB definition of "direct cost" and "indirect cost"?

A: The State of California Contracting Manual defines Direct Cost and Indirect Cost as follows:

- Direct cost: Any cost that can be specifically identified as generated by and in accordance with the provisions or activity requirements of the contract.
- Indirect cost rates/overhead: An amount or pro rata share of existing salaries and benefits, rent, equipment, materials, and utilities attributable to a function or activity but not necessarily generated directly by the function or activity.

An applicant with differing accounting procedures may use its own definitions for direct and indirect costs as long as these are clear, reasonable, and account for all project costs commitments.

### **Grant Agreement**

Q: What is the end date of the grant agreement between ARB and the selected grantee?

A: Section 2.1 of the Sample Grant Agreement indicates that "performance on this grant ends once the grantee has received their last reimbursement of administrative funds or the grant is terminated, whichever is earlier." (See Appendix C of the solicitation)